

Message Text

LIMITED OFFICIAL USE

PAGE 01 TEGUCI 01606 222226Z

21

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

COME-00 TRSE-00 CIEP-01 AID-20 AGR-05 /088 W

----- 126810

R 222010Z APR 75

FM AMEMBASSY TEGUCIGALPA

TO SECSTATE WASHDC 9833

LIMITED OFFICIAL USE TEGUCIGALPA 1606

E.O. 11652: N/A

TAGS: PINT, HO

SUBJECT: PRIVATE SECTOR GROUP FORMED TO ANALYZE PRESENT TRENDS
IN HONDURAS

REF: TEGUCIGALPA 1324

SUMMARY: HONDURAN PRIVATE SECTOR LEADERS HAVE INITIATED A
SERIES OF MEETINGS TO EXCHANGE OPINIONS, ANALYZE, AND PERHAPS
INFLUENCE PRESENT STATIST TRENDS IN HONDURAS. THE GROUP
(LESS THAN TWO DOZEN PERSONS) IS SEPARATE FROM THE FORMAL
ORGANIZATIONS SUCH AS THE PRIVATE SECTOR COUNCIL (COEHP),
INDUSTRIALISTS (ANDI) OR CATTLE RAISERS (FENAGH). TWO
MEETINGS HAVE BEEN HELD, THE LATEST APRIL 9. SOME CONSENSUS
OF VIEWS HAS EVOLVED, BUT NO ACTION PROGRAM AS YET. BY
COMPOSITION AND DIRECTION TAKEN, THE GROUP MAY HAVE SOME
IMPORTANCE IN THE NEAR FUTURE. END SUMMARY.

1. INITIAL MEETINGS HAVE BEEN HELD BY A HONDURAN PRIVATE
SECTOR GROUP. IT HAS LESS THAN TWO DOZEN PARTICIPANTS,
MOSTLY FROM TEGUCIGALPA AND INDIVIDUALLY INFLUENTIAL. A
LARGE NUMBER ARE U.S. EDUCATE. LEADERSHIP IS BEING PROVIDED
BY ADOLFO FACUSSE OF TEXTILES RIO LINDO, AND ADOLFO
MIDENCE, A CATTLE RAISER AND ECONOMIST. AN APPARENT
MOTIVATION OF THE GROUP IS TO DEVELOP A COUNTERFLOW TO THE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEGUCI 01606 222226Z

PRESENT STATIST TREND IN HONDURAN POLITICS.

2. OF INTEREST IS A CONSENSUS VIEW OF THE LT. COL. CABAL WHICH HAS ASSUMED AUTHORITY IN THE MILITARY. THE VIEW IS QUITE SIMILAR TO REFTTEL, PARA 8. IN ADDITION, THE LT. COLS. ARE SEEN DIVIDED UNDER TWO CRITERIA: A LEFTIST/RIGHTIST DIVISION IS POSSIBLE AND RESULTS IN APPROXIMATELY EQUAL GROUPS NONETHELESS CLUSTERED NEAR THE CENTER AND WITHOUT EXTREMISTS ON EITHER SIDE. A DIVISION IS LIKEWISE POSSIBLE ON EDUCATIONAL BACKGROUND ACCORDING TO THE AMOUNT AND PLACE OBTAINED. A LEFTIST BIAS IS PRESUMED FOR THOSE LT. COLS. WHOSE TRAINING HAS BEEN LIMITED TO THE HONDURAN MILITARY ACADEMY, OR WHICH INCLUDES PERU AND EUROPE. A RIGHTIST BIAS IS ASSUMED FOR THOSE WHO HAVE SOUGHT OTHER THAN MILITARY ACADEMIC QUALIFICATIONS SUCH AS ECONOMICS OR LAW AND THOSE TRAINED UNDER U.S. MILITARY COURSES. THIS LATTER GROUP SEEMS TO BE IN THE MAJORITY, BUT THE CRITERIA ARE BY NO MEANS RIGID AND EXCEPTIONS ARE APPARENT. A KEY COMMON DESIRE AMONG THE LT. COLS. IS RAPID SOCIAL AND ECONOMIC IMPROVEMENT, BUT THE IDEOLOGICAL FRAMEWORK IS LACKING. THUS, ADOPTION OF THE LOPEZ GOVERNMENT PROGRAMS IS LIKELY BY THE LT. COLS.

3. CONCERNING THE AGRARIAN REFORM LAW, THE PRIVATE SECTOR GROUP HAS MINIMAL COMPLAINTS AGAINST THE ARTICLE 25 LIMITATION ON LAND HOLDINGS. HOWEVER, THE LAW RAISES SERIOUS IMPEDIMENTS AGAINST INVESTMENT AND PRODUCTION. A FUNDAMENTAL ERROR OF THE LAW ACCORDING TO THE GROUP IS THE ASSUMPTION THAT THE TRADITIONALLY INDEPENDENT HONDURAN CAMPESINO CAN BE IN SOME MANNER COLLECTIVIZED. THEY OPINE THAT STATE TAKING OF LAND FROM A LARGER FARMER IS A MERE LEGAL EXERCISE, WHILE AN ATTEMPT TO TAKE A SUBSISTANCE FARMER'S SMALL PLOT WILL BE BLOODY. AT A PRACTICAL LEVEL, OTHER PROBLEMS ARE MORE IMMEDIATE. INCOMPETENCE AND GROSS OVERCHARGING ARE BEING NOTED IN LAND SURVEYS INITIATED IN THE COMAYAGUA VALLEY. LANDOWNERS WHO HAD TRADITIONALLY PROVIDED GARDEN ACREAGE TO EMPLOYEES FIND THIS AN ILLEGAL PRACTICE UNDER WORDING OF THE PRESENT LAW. MORTGAGES CANNOT BE OFFERED TO PRIVATE BANKS AS SECURITY FOR FARM DEVELOPMENT LOANS SINCE THE BANKS ARE PROHIBITED FROM LAND OWNERSHIP. THE PACKING HOUSES HAVE NOT RECEIVED THE PROMISED WRITTEN EXCLUSION FROM ARTICLE 25 LIMITS. PRIVATE FARM NEW INVESTMENT IS MINIMAL DUE TO INSECURITY ON A LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 TEGUCI 01606 222226Z

MULTITUDE OF SUCH PRACTICAL FACTORS.

4. THE PRIVATE SECTOR GROUP BELIEVES PARTICIPATION BY HONDURAS IN THE CENTRAL AMERICA COMMON MARKET REQUIRES COMPETITIVE AGRICULTURAL AND INDUSTRIAL SECTORS. THESE ARE NOT BEING FOSTERED BY GOH POLICIES THEY SAY. THERE IS A DANGER THE COMMUNITY TREATY UNDER PREPARATION WILL BECOME SO INFLATED WITH ACADEMIC AND POLITICAL GIBBERISH (JERIGONZA) THAT NO AGREEMENT WILL BE

POSSIBLE AMONG THE COUNTRIES AND THE SOLID AREAS WHERE CONSENSUS
IS POSSIBLE WILL AGAIN BE LOST.

5. COMMENT: THE PRIVATE SECTOR GROUP HAS SLIGHT POSSIBILITY
TO DEVELOP AN ALTERNATIVE TO A CONSERVATIV/REACTIVE
PATTERN WHICH CHARACTERIZES THE HONDURAN PRIVATE SECTOR. THE
GROUP WOULD LIKE TO DEVELOP AN INITIATIVE AND LEADERSHIP
TOWARDS DEFINITION OF A CONTRIBUTORY ECONOMIC AND POLITICAL

RPLEFOR THE HONDURAN PRIVATE SECTOR. AT A MINIMUM THE
PARTICIPANTS WILL COMMISERATE ON FRUSTRATION AND IDENTIFY FOR
THEMSELVES THE NARROWING POSSIBILITIES FOR FREE PRIVATE SECTOR
SURVIVAL.

SANCHEZ

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRIVATE ENTERPRISE, PERSONAL OPINION, BUSINESS ASSOCIATIONS, MEETINGS, MEETING PROCEEDINGS, POLITICAL SITUATION, ECONOMIC TRENDS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975TEGUCI01606
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750141-0814
From: TEGUCIGALPA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750427/aaaaazaj.tel
Line Count: 129
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 TEGUCIGALPA 1324
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2003 by KelleyW0>; APPROVED <10 SEP 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PRIVATE SECTOR GROUP FORMED TO ANALYZE PRESENT TRENDS IN HONDURAS
TAGS: PINT, EGEN, HO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006